MBTA Additional State Assistance

July 17, 2017

FY17 MBTA "Pay-Go" Capital Transfer

- Last August 2016, MassDOT approved an Interagency Agreement with MBTA to transfer $31.1M in state bond cap in lieu of two months of additional state operating assistance (2E transfers)
  - May 2016 payment had already been paid to the MBTA and the FMCB vote to approve return of the payment and vote to accept two months of bond cap in lieu of the May and June 2016 payments
- To date the MBTA has received $140.3M in additional state operating assistance payments (through Q3 2017) for FY 2017
- Commonwealth has requested that the final three months ($46.75M) of FY 2017 additional state operating assistance be replaced with state bond cap funds
- In addition, the Commonwealth, as part of its FY 2018 operating budget and capital plan, has provided that the annual state operating assistance for the MBTA would total $127M (down from $187M) and that the $60M difference would be provided to the MBTA in an allotment of state bond cap to be used on capital project expenditures

Requested Board Action

- Board approval is requested for MassDOT to enter into an Interagency Agreement to transfer $106,750,000 in state bond cap funds to the MBTA for FY 2018
  - $46,750,000 will replace the Q4 FY 2017 operating assistance payments not transferred to the MBTA by the Commonwealth
  - $60,000,000 reflects lower FY 2018 operating assistance payments included in FY 2018 state budget; amount was carried in the FY 2018 Capital Investment Plan approved by the Joint Boards on June 19, 2017